

ON GOVERNMENT ORDERS..

TRUE TALES OF THE SECRET SERVICE

BY AN EX-OPERATIVE

EDITED BY WM. J. BACON.

THE KATYDID MINE

"As a rule the inspectors of the post-office department look after matters of fraudulent uses of the mails," said Captain Dickson on a certain occasion when I had dropped in for a quiet smoke and a glass of sherry, "but when a case develops unusual difficulties the secret service department is called upon. This does not often happen, however, for there is a lot of rivalry between these departments and not a little jealousy. It is only as a last resort that our branch of the machinery of government is brought into requisition, and not until the postoffice inspectors have failed utterly."

I was visiting at the home of Captain Dickson, who had once been high in the councils of the United States secret service, but was now retired. Each of us had a cigar in our fingers and before us was a sherry decanter—the captain's favorite beverage. He knew what I was there for—a story, and he was willing to tell one as soon as he could find the lead. And the interesting feature about his experiences is that they are true happenings, and his simple way of telling them made the picture he drew stand out the more clearly. I couldn't improve on them if I tried to embellish them, so I repeat his words as I remember them.

A case of this character occurred a few years ago in one of the larger western cities.

It was a mining case—a company backed by \$50,000,000 capital stock—and, to all appearances, it was a legitimate scheme. Among its directors were four or five well-known western mining men, one I remember being an ex-United States senator. It advertised extensively in the newspapers and by circulars. Orders for stock were pouring into the company in such large quantities that it required two and three mail wagons, sometimes, to handle a single day's mail.

The stock was sold in small quantities, no one being allowed to subscribe for more than 100 shares of a dollar a share, out of each million dollars of stock issued. The stock was sold at par, a dollar cash a share, and it was paying annual dividends of 20 per cent. In five years the subscriber had his money back and still owned his stock, of course. It made a decidedly attractive investment, and people from all over the country just broke their necks, pardon the expression, to get in on the ground floor.

The advertising matter of the company, which operated under the name of the Amalgamated Gold Syndicate, was cleverly written. It stated that the discoverers of the mine were two poor prospectors without kith or kin but with brains overflowing with generosity,

who, from two millions of stock that each owned, derived a revenue greater than either could spend and, appreciating the afflictions of the poor and the scant opportunities for a man of small means to find a safe and profitable investment for his savings, they had decided to share their wealth and prosperity with their fellow men.

The company placed \$2,000,000 of stock upon the market each year, \$1,000,000 in January and \$1,000,000 in July. It advertised that no one person would be allowed to subscribe for more than \$100 of each semi-annual issue and that the subscription books would be closed as soon as the requisite million was subscribed.

The postoffice department became suspicious as soon as the advertisements began to appear, and the inspectors were immediately put upon the case. They worked for six months and found nothing that supported this suspicion in the slightest. On the other hand, they established beyond doubt that the mine had been discovered by two poor miners who had no relatives living, so far as could be determined; that they had induced capitalists to invest \$1,000,000 in cash in the venture, and had then organized and incorporated the Amalgamated Gold Syndicate with a paid-up capital of \$5,000,000, selling the mine to the corporation for \$4,000,000 of stock. The mine was called "The Katydid," and it had been worked for a time by the corporation at a big profit. The two miners, poor no longer, had, after a time, conceived their charitable scheme, and had put it through, much against the wishes of the minority stockholders, who were powerless to prevent it.

Accordingly, the capital stock had been increased from \$5,000,000 to \$50,000,000, and the charter authorized \$2,000,000 of the increased stock to be sold each year.

The company apparently did everything that it advertised. It regularly paid its stockholders an annual dividend of 20 per cent. No one person was permitted to take more than 100 shares of the various semi-annual issues. Cases were found where money had been returned to subscribers who had endeavored to secure quantities, and many instances were discovered where checks for stock subscriptions had been returned with a brief letter stating that the semi-annual issue had been exhausted before the subscription had been received.

On its face, it was the fairest sort of a deal, although the plan of the two beneficent miners did not exactly average up to the standards of human nature that the world has come to expect in business men, and especially in promoters of mine companies.

Hudson, one of the miners, was president of the company, and in charge of the offices it maintained in the western city, which I have already mentioned. While Mason, the other of the discoverers, was general manager and in control at the mine. Both Hudson and Mason bore out the characters that the advertising matter of the syndicate gave to them. They dressed in rough, cheap clothing, chewed tobacco, and showed a disregard for money that is characteristic of men who have worked hard all their lives against an adverse fortune and who have suddenly come into great wealth. In everything they acted the parts of uncouth, uneducated sons of the soil.

At the Katydid mine, visitors were always welcome. They were shown freedom, only one place, the small building where the metal was separated from the amalgam, was denied to them. Mason explained this by saying that the company possessed a secret process for refining which he had discovered and which was known only to himself, to Hudson and to Belden, the company's chemist.

This, in brief, was the status of the case when I was put on it. It was given to me because I had been a miner and prospector and had studied geology and assaying.

After working a week on the case I was satisfied that the company was a fraud, but I readily saw that I had no common crooks to deal with. In the first place, the plan looked too fair and generous. It was like an alibi that is too perfect. I had seen miners make lucky strikes, but I had never known a single instance of a man sharing his profits with others who had no call upon him. Another thing that added to my certainty was the quality of the ore from the mine. It was fairly rich in gold, but not sufficiently so to yield the amount of gold the company sold each month. I secured specimens and had it assayed by the best chemists. It was a low grade ore. I then measured one of the ore cars and hid out behind a boulder for two days on the mountain side near the mine, where I could see and count every car of ore that came from the mouth of the mine.

My figures showed that the mine was producing less than \$300 of ore a day, little more than enough to pay the expenses of operating, and certainly not enough to sustain the expensive offices in the city and pay the fabulous dividends on the stock. For 20 per cent a year is something to make a stock broker's heart strain almost to the point of breaking.

I didn't take a bit of stock in Ma-

son's claim of a secret process of refining. I knew that was a fake outright, but I wanted confirmation of it, and the only way to obtain this was to get inside the little building at the mine where Mason and Belden slept and where the separation of the gold from the amalgam was effected. I wanted to get into that building as badly as ever a life prisoner wanted to get out of the penitentiary, and I was ready to do most any desperate thing to accomplish my desire.

My chief's instructions had been explicit and they suited me to a "T." The

postal inspectors had been rather offensive lately over one or two matters and there was a bit of friction between the heads of these departments. Hence the desire of my department that I should clear the matter up without assistance. I had been told that I must work out my own salvation, and that was the kind of assignment I always liked best. I wanted to teach the postoffice department that one secret service man was worth all its corps of inspectors, that I could work out single-handed a proposition that had stumped its best talent. Of course the chief had

never said a word of all this to me, but I knew the state of affairs, and his terse instructions had been sufficient to let me know what was expected of me.

When I had worked on the case some four or five days an inspiration came to me and I had a quantitative analysis made of a bar of gold from the Katydid mine. It showed just what I expected. Then I made an investigation of the syndicate's deposits in the various banks where it kept accounts. From these I gathered a few more ideas and really began to see daylight. I

next secured what information I could about the amount of gold bullion the company had stored in safe deposit vaults, but this was a difficult matter to get at, as much of its stock was stored or supposed to be stored in its own vaults.

I put in two or three days spoiling nice, clean sheets of paper with figures that ran far into the millions, at the end of which I faced with a problem that I have never been a good mathematician, I had the solution of the swindle worked out—to my own satisfaction, at least. However, I had mighty little evidence that would stand in a law court, and this was precisely what I had been sent out west to gather. The chief impressed upon me that there must be conclusive proof of a bona fide mining venture or of a swindling game. He thought it would be the latter, and so did I, for that matter.

The thing now before me was to get proof one way or the other, and I set about it, realizing more than ever that I was face to face with a problem that was going to tax my ingenuity to the fullest. It all turned on the little building at the mine. This was the point about which all of my theories centered; it was the mine in the coconuts, and I was satisfied that when I strained it I would bag a covey of the shrewdest rogues that had ever planned to part a gullible public from its hard-earned money.

There was no rest for me awake or asleep. I thought over the matter awake and dreamed of it when I tried to sleep. I couldn't figure out a plan for gaining admittance to the secret confines of the little building, although I conceived no less than a hundred schemes, some of them foolhardy and romantic in the extreme.

I had almost worked myself into a fever over it when, one night, I went up to my room at the little hotel of the mining camp after supper and sat down to read myself to sleep. I had bought a couple of paper-back novels at the drug store, from its rather limited stock, and among them there was a copy of Victor Hugo's masterpiece. I had read the book before, but it was a favorite of mine and I hadn't much choice in the matter of selection. I was so wrought up over the question of getting into the refining plant that connected reading was out of the question, so I skipped about through the book, reading a chapter here and a bit there until I came to the adventure of Jean Valjean in the Paris sewers. In an instant I was tingling in every nerve, for I had found the solution of my problem, although it was both foolhardy and beset with the gravest dangers.

The reducing plant was in a low-set building, adjoining the stamp mill, and the water supply was conveyed to it from a dam some distance up the canyon through an iron pipe two feet in diameter. The water supply was turned off, and at eight the flow was shut off, leaving the pipe empty. I had observed the pipe in my ramblings about the neighborhood of the mine, but had never thought of it as a possible entrance to the building until I read of the hunted Jean Valjean taking to the sewers like a rat to escape his implacable foe. Possibly I never should have thought of it if I had not chanced to buy the ten-cent book at the drug store. This is but an instance of the influence on our lives of seemingly trivial things.

Passing the book upon the floor, I hastened out into the night and made with all speed for the big pipe. The water left the reservoir in a sluice way of



With a quick, sure stroke I brought my revolver down on the back of his neck.

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CHRISTMAS FURNITURE

In our specials this week we are showing several articles of furniture that will make appropriate gifts. These shown below are only a few taken from our large stock. Any article bought now will be held and delivered any time desired before Christmas.

YOUR CREDIT IS GOOD

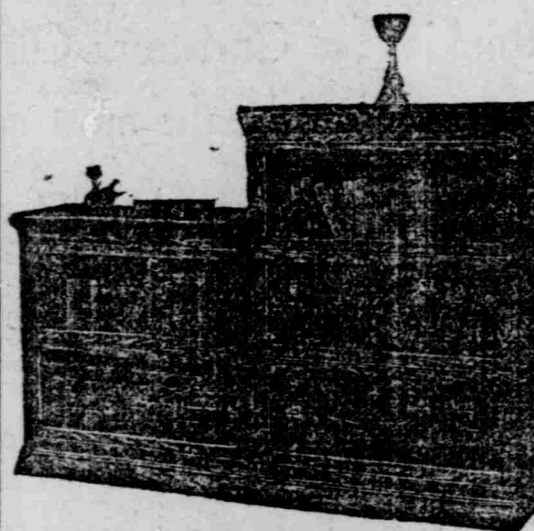


WORK BASKETS

This is a special that every lady will want. It is 19½ inches high and very strong; the metal legs are black and the bag is made of creton and comes in several colors. It is an excellent value. All this week for—

60c

These
Specials
Are On
Sale
All
This
Week



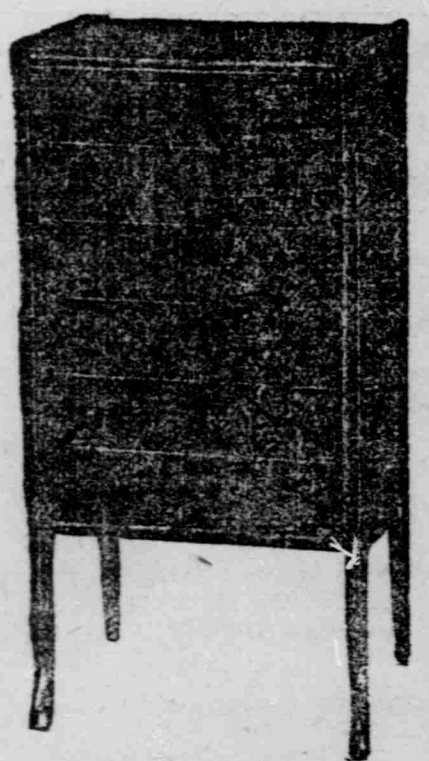
SECTIONAL CASES

Makes a very neat gift, and when you get the "Gunn" you have the best. We show them in golden oak, mahogany and weathered oak.

SHIRT WAIST BOXES

We show a large line of these boxes, and they are just the thing for women. Our special on these is one that is 28 inches long, 14 inches wide and 14 inches deep, lined inside with finished wood and the outside covered in either matting or green denim. All this week for—

\$3.15

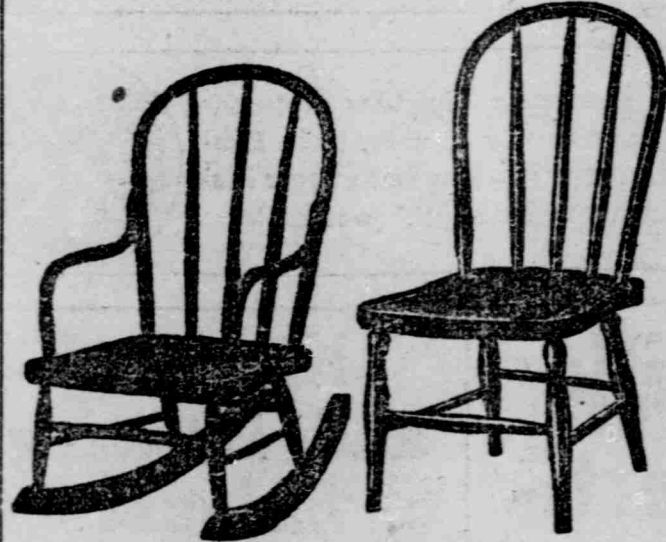


Music Cabinets

We want you to see this line we have as an inducement. Full sized cabinet. Has 5 shelves; mahogany finish; good and strong; also brass rod for curtains.

All this week for—

\$6.45



Children's Chairs and Rockers

Are now in demand. Here is a chair and a rocker, just what the little ones want; of good size; red in color; very strong. On sale all this week.



This Child's Rocker Is a Beauty

Solid oak, nicely finished and very strong. One of the best styles in child's rockers we have ever shown. On sale all this week.

\$1.55

Ladies' Desks

Nothing so nice for ladies; full sized; mahogany finish; nice large drawer. A nice desk and a beauty for the money. All this week

\$7.15



Freed Furniture & Carpet Company

18 to 40 EAST THIRD SOUTH STREET